

AGRICULTURAL ANALYSIS
West Lilac Farms I & II
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ADDENDA

1. LESA Model
2. SECTION 63.404, NOTICE TO PROSPECTIVE BUYERS AND OCCUPIERS
3. Statement of Qualifications

SUMMARY OF FINDINGS

1. The proposed project is compatible with existing agriculture and surrounding land use. The prevailing parcel size in the area, including agriculture is a little less than 6½-acres with about 48% of surrounding land either single family residences with average parcel size of about 3.8 acres or vacant land with average parcel sizes of 5.15 acres. The average parcel size of the proposed project is about 3.5 acres.
2. Sufficient buffering by and from existing agricultural enterprises exists, be they hobby, project livestock, rural residential orchards or commercial growing houses. It is appropriate however that the *Notice to Prospective Buyers and Occupiers* pursuant to County Code Section 63.404 be included as a project design element.
3. A 78± acre portion of the site is correctly identified as “Unique Farmland” and a 14± acre portion is incorrectly identified as “Unique Farmland.”
4. The site is not within an agricultural preserve.
5. A 78.1-acre portion of the project site is developed as an avocado and citrus orchard. The orchard is experiencing the physical effect of advancing maturity, impact of adverse economic resources of escalating water cost, shifting citrus markets, aging and shrinking service and support infrastructure and availability of legal labor. The site, due to soils, size and topography is a limited agricultural resource not well suited for most alternate crops.
6. The soils are predominantly Class IV soils (80.89%) with Class VI soils accounting for 6.43% and Class VIII 2.53%. The soils, except for specific crops with the application of irrigation technology and intensive cultural management, are marginal to no agricultural significance. As a site with unremarkable soils, its removal from production is deemed to have no significance to the inventory of the County’s significant agricultural soils.
7. Water resources adversely effect the continued use of the site for agriculture. There are no known indigenous or developed natural water resources on the project site. The project site is within the Rainbow Municipal Water District. As a member agency of the San Diego County Water Authority, agricultural water delivered to the site is priority 4, the lowest of 4, with delivery subject to interruption in periods of scarcity. Since the preponderance of district water is purchased from the Metropolitan Water District (MWD), water cost is an increasingly significant adverse economic impact on the physical use of the site.
8. Other than the direct impact within the project site, surrounding agriculture is unaffected by the proposed project, thereby it is in conformance with The Bonsall Community Plan, Agricultural Goals, Policies and Recommendation.
9. The loss of the contribution of the 78.1 acre project site avocados and citrus to Southern California regional acreage is less than 0.05% for all citrus and 0.09% for all avocados, and 0.06% of all tree crops acreage in the region. The 78.1 acre loss would account for less than 0.18% of all tree crops San Diego County, 0.165% of all citrus and 0.22 of all citrus.

10. The site is within the coastal transitional area climate.
11. The proposed lot size and lay-out of the project are consistent and compatible with the policies, recommendations, goals and objectives of the Bonsall Community Plan.

INTRODUCTION
TENTATIVE PARCEL MAP 5276 ON
APN'S APN 127-270-095 & 127-290-005

The subject of this analysis is a 92.19 total gross acres and 82.13 total net acres (according to Walsh Engineering & Surveying map), of vacant land, citrus and avocado orchards in two assessor parcels joined at their respective southwest and northeast corners. The property is known as West Lilac Farms I and II.

LOCATION AND LEGAL DESCRIPTION

West Lilac Farms I (39.20 acres) and West Lilac Farms II (52.99 acres) are located south of Lilac Road in the Community of Bonsall. West Lilac Farms II is legally described as a portion of the northwest quarter of the southwest quarter of Section 23, and West Lilac Farms I is described as a portion of the southeast quarter of the north half of Section 23, all in T10S, R3W.

Its situs is southerly from Lilac Road with West Lilac II (Assessor's Parcel Number 127-270-95) between Aqueduct Road, which it abuts along its easterly boundary, and Via Ararat Drive which West Lilac I (Assessor's Parcel Number 127-290-05) abuts along its westerly boundary, beginning at its southwesterly corner which is also Via Ararat's intersection with Mt. Ararat Way. The parcel is within the north half of Section 23, T10S, R3W. The parcel is currently zoned A-70, agriculture. The site is not within an agricultural preserve.

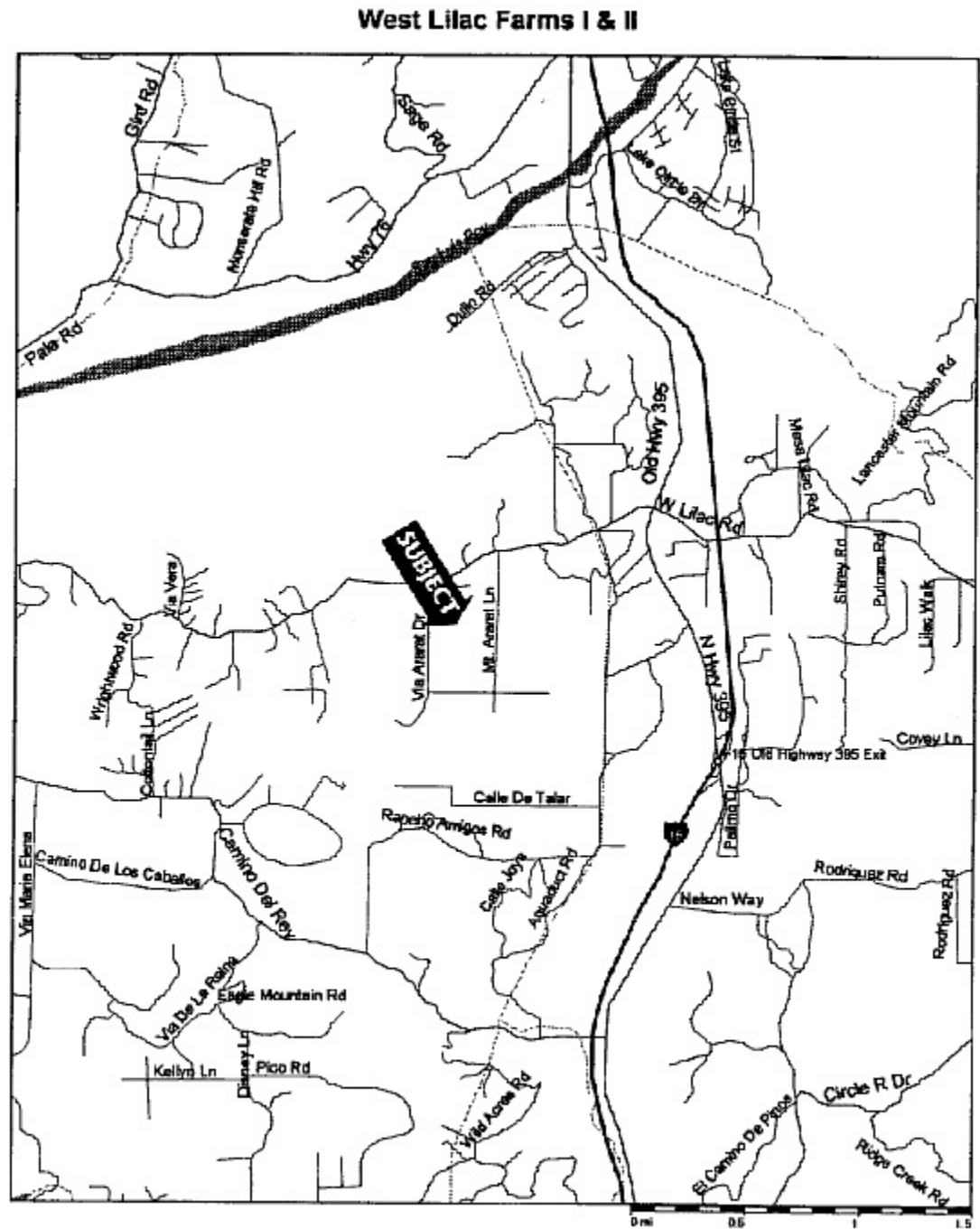
The Report is intended to be responsive to the Agricultural Analysis Guidelines promulgated by the County Department of Planning And Land Use.

CONVERSION OF PRIME FARM LAND AND CEQA GUIDELINES

As noted in the introduction of the instruction manual for the California Agricultural Land Evaluation and Site Assessment Model (LESA)¹ currently, neither the California Environmental Quality Act (CEQA) nor State CEQA Guidelines contains specific guidance or procedures on how agencies are to address farmland conversion impacts of specific projects. The only specific mention is that a project will have a significant effect on the environment if it will convert "prime agricultural land" or "impair the agricultural productivity of prime agricultural land." This lack of specificity led to the development

¹ _____, *Instruction Manual, California Agricultural Land Evaluation And Site Model*, California Department of Conservation, Office of Land Conservation. Sacramento. 1997.

Map 1. Map of Vicinity



of LESA for use as a filter when applying significance to losses of farm land by a project.

In rural and transitional areas, agriculture can pose significant issues with regard to land conversion. Agriculture is a risky and fluid enterprise, defined by contradictory signals and conditions within the market place. While differing ownership may afford more options and flexibility, production and price risks pertaining to a particular property fall equally whether the operator be a farm family or investor. As a consequence, farmers have through the millennia looked at land as an investment, the financial anchor of an operation and a storehouse of value for retirement, collateral for expansion, adoption of new technology or simply a source of replenishment for losses in working capital during times of low prices or poor yields.

According to the Remy et al.², environment, as defined within The California Environmental Quality Act (CEQA), generally refers to the condition of physical resources. Remy states, “the California Legislature defined environment to refer to the physical conditions which exist within the area which will be affected by a proposed project, including land, air water, noise, objects of historic or aesthetic significance”. Remy further states, “impacts which are solely economic in nature do not constitute significant effects on the environment.” Remy acknowledges, however, economic resources can and do affect the physical environment by stating, “If an economic impact will cause physical change, as a part of causation, then the physical impact should be considered.”

Unlike an endangered species, wild rivers or archeological treasures, any agriculture beyond subsistence is dependent upon both natural and economic resources. The absence, or degradation, of either a critical natural or economic resource can cause a physical change or even the loss of agriculture on a specific site or to the region. No doubt, this is what the court and Remy et al. attempts to recognize and impart to those charged with interpreting and implementing CEQA.

Both natural and economic resources available to the subject site are inventoried and discussed as part of this Analysis. The Economic Resource Inventory that begins on page 11 examines particular economic resources that are adverse to agriculture, which have and are certain to continue to cause physical change on a site specific basis. Examples of these are the changes precipitated by erratic water availability accompanied with escalating cost and the dearth of affordable housing effecting farm labor.

The discussions concerning agricultural land use are intended to provide the reader information and background necessary to understanding the what, why and how site specific agriculture is affected as

² Michael H. Remy, Tina A. Thomas, James G. Moose, Whitman F. Manley, *Guide to the California Environmental Act, (CEQA)*, Tenth Edition. September 1999

part of a complex system that extends far beyond the farm gate; and be responsive to the need by County Staff and our elected representatives to have a factual basis on which to review and evaluate this project.

Structural constraints such as water cost and availability, shifts in consumer demand and markets offer local agencies little or no control. The how and why of structural change impacts physical change of agricultural land use on a site specific basis is examined in the analysis.

The importance of the longer term issues, such as the relationship of affordable housing and farm labor are also examined. Housing is a systemic constraint over which local agencies can mitigate, but until remediated, will increasingly effect change throughout the agricultural sector.

AGRICULTURAL ANALYSIS

PURPOSE AND SCOPE

The purpose of this report is to assist the land owner and their representatives in addressing various concerns raised by County Staff concerning the possible impact on agriculture of converting this land to residential use.

The scope of this report is limited to 92.19 total gross acres and 81.96 total net acres (according to Walsh Engineering & Surveying map), of vacant land, citrus orchard and avocado grove in two assessor parcels located in the community of Bonsall. There is a discrepancy in gross acres between the Walsh Engineering Map and the County Assessor Parcel Maps, which is 54.3 gross acres and 35.4 gross acres, a total of 89.7± acres. For the purposes of this analysis, the Walsh Engineering & Surveying Map acreage are used. The site is not within an agricultural preserve.

The scope of the investigation is limited to the physical inspection of the parcels and surrounding area, a review of land use in the surrounding area, published documents and data in the consultant's files.

Opinions and conclusions are developed based on these data.

As described in the Introduction, the subject property located south of Lilac Road and northeasterly of the intersection of Via Ararat Drive and Mt. Ararat Way.

EXISTING AGRICULTURAL LAND USE

The property is planted with a combination of citrus and avocado orchards. A little over 15 percent, 14+ acres which are a part of West Lilac II, are vacant, either suffering from avocado root rot fungus (*Phytophthora cinamoni*) or having been abandoned due to high farming costs and development relative to anticipated revenues leading to a lack of economic incentive to develop. There are no structures or indigenous water development or sources on the farms.

Developed land use includes:

West Lilac Farms I

21.2 acres Eureka lemons
18.0 acres of Hass avocados (top worked)

West Lilac Farms II

10.2 acres Washington naval oranges
3.7 acres Valencia oranges
25.0 acres Hass avocados

APPLICATION OF LESA MODEL

The site when evaluated using the California Agricultural Land Evaluation and Site Assessment Model (LESA) results in the following.

Table 1. Summary of LESA Scores

FACTOR NAME		RATING X (0-100 points)	FACTOR WEIGHTED SCORE
LAND EVALUATION (LE)			
		(from Table 1)	
1	Land Capability Classification	47	0.25 12
2	Storie Index Rating	47	0.25 12
Total Land Evaluation Score			0.50 24
SITE ASSESSMENT (SA)			
		(from Table 2)	
1	Project Size	20	0.15 3
2	Water Resource Availability	30	0.15 5
3	Surrounding Agricultural Lands	40	0.15 6
4	Protected Resource Lands	0	0.05 0
			0.50 14
TOTAL LESA SCORE			38

LESA MODEL CEQA THRESHOLDS

0 - 39 Points	Not considered significant
40 - 59 Points	Significant only if LE and SA subscores are each greater than or = to 20 points.
60 - 79 Points	Significant unless either LE or SA subscores is less than 20 points.
80 -100 Points	Significant.

As can be observed, the site barely qualifies as significant under the CEGQ guidelines. If the rural residential-orchard parcels were reclassified as non-agricultural, the Site Assessment Score (SA) would fall below 20. The three table LESA calculations are found in the Addenda

NATURAL AND ECONOMIC RESOURCES

Where agriculture is developed beyond subsistence, the ability of a specific parcel of land to be utilized for production agriculture is dependent upon the inter-relationship of available or obtainable natural and economic resources. These relationships, to be successfully combined, must be cast into a complex matrix of land, labor, management, available capital, cash flow and profit.

Natural Resource Inventory

Climate. The area climate is transitional, with characteristics of the coastal and interior area climates.

There is not a complete weather history for Bonsall, therefore the closest weather station is considered to be Vista³. The Vista weather station reports a mean maximum temperature of 74°, a mean minimum temperature of 50.4°, with a mean annual of 62.2° and extremes of 107° and 27° respectively. Annual rainfall at the Vista weather station averages 16.52 inches, with January (2.45 inches), February (3.13 inches), and December (3.53) peak rainfall months. Potential Evapotranspiration (PET) is estimated at 32.6 inches, (28 inches per 32° growing season) and, assuming 4-inches of plant available soil moisture, a computed actual Evapotranspiration of 10 inches. The approximate date of the first 32° freeze is January, the last February first. The location has about 2,000 seasonal heating degree days.⁴

Topography and Size. The elevation of West Lilac Farms I is from 702 to 761 feet and West Lilac Farms II is from 702 to 867 feet, which is more or less typical of the undulating to steep land associated with this portion of this inland valley. Topography of the subject includes slopes from 5 to 30%, with the majority of the slopes 9 to 15%. West Lilac I has an intermittent stream that traverses the lemons which effectively bisects this portion of the subject from southwest to northeast. The shape of the subject properties is mostly rectangular.

Economic size is defined as sufficiently large to provide a living wage for a family. As a stand-alone property, the subject, according to income data provided the consultant, is sufficiently large to be considered an economic unit.

Soil. The soils are predominantly Class IV soils, 85.9% on Lilac I and 88.2 on Lilac II, with Class VI soils accounting for 14.06% on Lilac I and 7.4% on Lilac II, and Class VIII soils 4.4% on Lilac II. These soils are all shallow, droughty, fragile and susceptible to erosion. Please refer to the soils summary that follows.

³ Close, D.H., Elford, C.R., Gilbert, D.E., Peterson G.D. Jr., Stilz, J. *Climates of San Diego County Agricultural Relationships*, University of California Agricultural Extension Service. Berkeley California. November 1970.

⁴ Heating degree days are defined as: "an arbitrary unit that expresses the amount of heat required to keep living quarters at a comfortable temperature, based on 65°F." For example, if the mean temperature is 55° for 25 consecutive days, the total heating degree days would be 2,500.

Table 2. Soils Summary

Map Symbol	Name	Capability Class	Approx. Acreage	Percent Distribution
West Lilac Farms I				
CID2	Cieneba coarse sandy loam, 5-15% slopes	VIe-1	2.04	5.15%
FvD	Fallbrook-Vista sandy loam, 9-15% slopes	IVe-1	4.23	10.67%
PeC	Placentia sandy loam, 2-9% slopes	IVe-1	23.95	60.43%
VsD	Vista coarse sandy loam, 9-15% slopes	IVe-1	5.88	14.84%
VsE	Vista coarse sandy loam, 15-30% slopes	VIe-1	3.53	8.91%
Total			39.63	100.00%
	Total Class IV	85.94%		
	Total Class VI	14.06%		
		100.00%		
West Lilac Farms II				
CID2	Cieneba coarse sandy loam, 5-15% slopes	VIe-1	2.80	5.28%
FaD2	Fallbrook sandy loam, 9-15% slopes	IVe-1	21.50	40.57%
FaE2	Fallbrook sandy loam, 15-30% slopes	VIe-1	1.12	2.11%
FvD	Fallbrook-Vista sandy loam, 9-15% slopes	IVe-1	16.82	31.74%
PeC	Placentia sandy loam, 2-9% slopes	IVe-3	5.61	10.59%
PeD2	Placentia sandy loam, 9-15% slopes	IVe-3	2.80	5.28%
StG	Steep gullied land	VIIIe-1	2.34	4.42%
Total			52.99	100.00%
	Total Class IV	88.19%		
	Total Class VI	7.40%		
	Total Class VIII	4.42%		
		100.00%		

Source: Soil Survey San Diego Area , California, USDA SCS et al., 1973.
Pacific Consultants

Capability Groupings. Soil quality and crop adaptability are evaluated using the U. S. Department of Agricultural capability grouping system. The capability grouping shows in a general way, the suitability of soils for most kinds of field crops. The groups are made according to the limitations of the soils when used for field crops, the risk of damage when they are used and the way they respond to treatment. The grouping does not take into account major and generally expensive land-forming that would change slope, depth, or other characteristics of the soils; does not take into consideration possible but unlikely major reclamation projects; and does not apply to rices, cranberries, horticultural crops, and or other crops requiring special management. Capability classification is not a substitute for interpretations designed to show suitability and limitations of groups of soils for range, for forest trees, or for engineering.

In the capability system, all kinds of soils are grouped at three levels, the capability class, the subclass, and the unit. A survey area may not have soils of all classes. Capability classes, the broadest group of the three levels, are designated by Roman numerals I through VIII. The numerals indicate progressively greater limitations and narrower choices for practical use and are defined as follows:

Class I soils have few limitations that restrict their use.

Class II soils have moderate limitations that reduce the choice of plants, or that require special conservation practices, or both.

Class III soils have severe limitations that reduce the choice of plants, require special conservation practices, or both.

Class IV soils have severe limitations that reduce the choice of plants, require very careful management or both.

Class V soils are not likely to erode but have other limitations, impractical to remove, that limit their use largely to pasture, range, woodland or wildlife habitat.

Class VI soils have severe limitations that make them generally unsuited to cultivation and limit their use largely to pasture, range, woodland, or wildlife habitat.

Class VII soils have very severe limitations that make them unsuited to cultivation and restrict their use largely to pasture, range, woodland, or wildlife habitat.

Class VIII soils and land forms have limitations that preclude their use for commercial crop production and restrict their use to recreation, wildlife, water supply, or to aesthetic purposes.

California Resources Agency Important Farmland Mapping

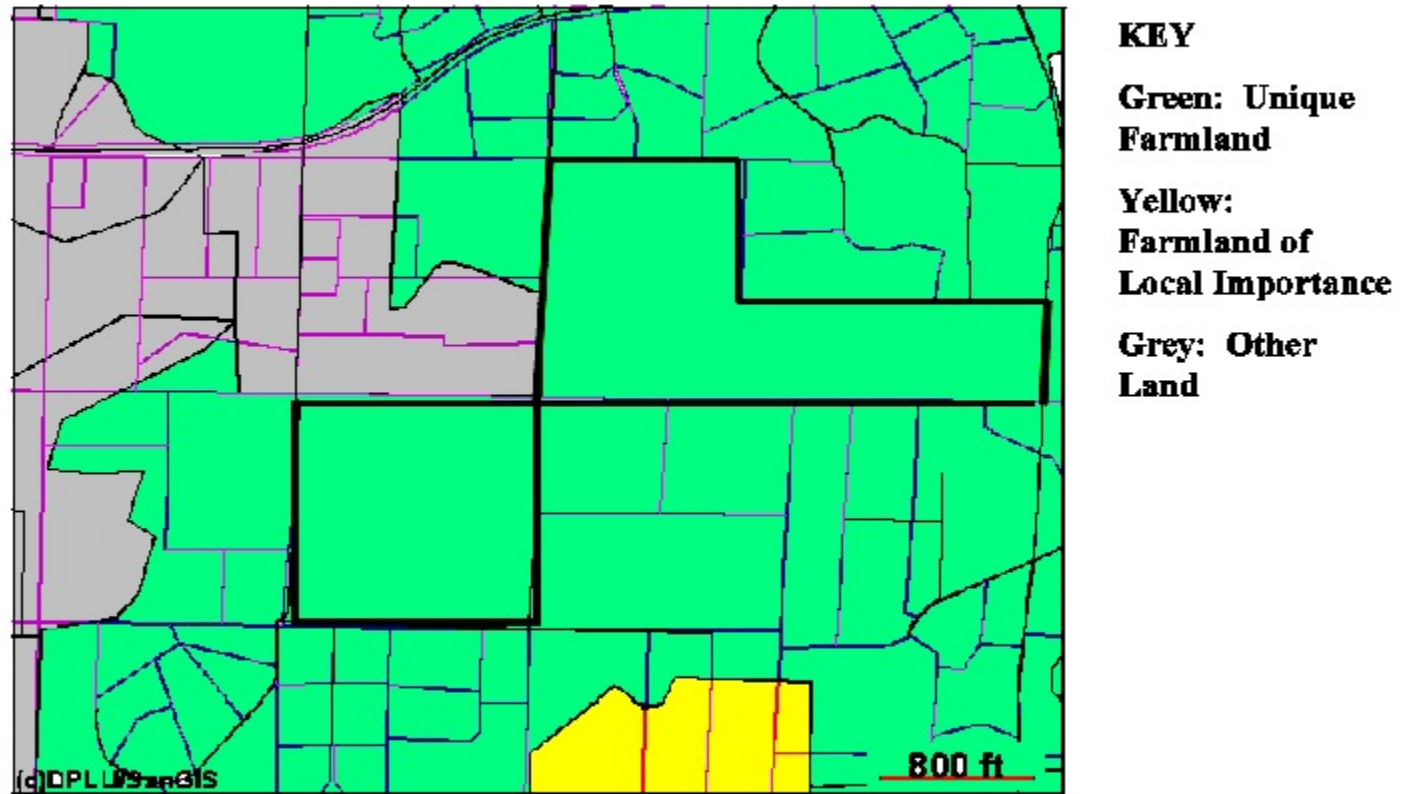
The Important Farmland Mapping Categories Map promulgated by the California Resources Agency under the Farmland Mapping and Monitoring Program is included on the following page. A review of the portion of the map that pertains to the 92.19 gross acre subject indicates that the total area of the subject is designated as “*Unique Farmland*”.

“Unique Farmland” is defined as “Lesser quality soils used for the production of the state’s leading agricultural crops. The land is usually irrigated, but may include non-irrigated orchards or vineyards as found in some climatic zones in California. Land must have been cropped at some time during the two update cycles prior to the mapping date.

It is useful to review the relationship of USDA Soils Classifications with the intentionally more broad California Resources Agency Farmland Mapping and Monitoring Program definitions. The starting point of the mapping effort begins with inventory and classification of soils from Class I through Class VIII by the Natural Resource Conservation Service (NRCS), the former Soil Conservation Service, of the US Department of Agriculture. In general terms, USDA Capability Classes I through III are considered

Map 2. Important Farmland Mapping Categories Map

IMPORTANT FARMLAND MAPPING CATEGORIES FOR LILAC FARMS



to be agriculturally significant. The State's Classification of "Prime" generally parallels USDA Class I soils with "*few limitations that restrict their use.*" USDA Class II soils, with "*moderate limitations that reduce the choice of plants, or that require special conservation practices, or both*" generally coincides with the States "Statewide Importance" classification.

Three soils dominate the site: Placentia sandy loam, 2-9% slopes (map symbol PeC), a Class Vle-1 soil on Lilac Farms I; and Fallbrook sandy loam, 9-15% slopes (map symbol FaD2), a Class IVe-1 soil and Fallbrook-Vista sandy loam, 9-15% slopes (map symbol FvD), a Class IVe-1 soil, on Lilac Farms II.

Resource Agency designations frequently do not properly reflect actual land use. Such differences are to be expected because the land designations of the Resource Agency are intended to monitor farmland trends and have never been intended to be site specific. Therefore, it is improper to consider difference in acreage and use designations an aberration, but rather, as is often the case, the result of spill over from neighboring land use. In this case, a 11.6 acre portion to the north of Lilac II is fallow and, while having been farmed in the past, has not been cultivated for several years.

It is therefore my opinion that an 11.6 portion of the subject 92.16 acre parcels is improperly designated as "*Unique Farmland*". As a consequence of the mis-classification, the conversion of this site to residential, minimum lot size 2 acres has no impact on the inventory of significant soils.

Interpretation of Natural Resources

It is observed from the natural resource inventory that the subject is typical of orchard property located in North County, its use and setting is consistent with the rural land uses in the Bonsall area. The soil resource, although of poor quality with *severe limitations that reduce the choice of plants, require very careful management or both* (page 14, Cl. IV soils) have been successfully adapted to avocado and citrus crops. By definition, the classification as "*Unique Farmland*" is derived from its use not its value as an agricultural resource.

In an effort to identify land of agricultural significance that does not meet recognized criteria, certain farm lands may be given status as "Farmland of Statewide Importance, Unique Farmland or Farmland of Local Importance" by land planners. The intent of these broad definitions is to provide a classification of areas and activities, which under more traditional definitions of "prime" or "unique" agricultural resources would not apply. It should be remembered that the "Unique Farmland" appellation is intended to broaden the already broad criteria of what constitutes prime agricultural land

that initially was lifted from definitions within the Williamson Act.

The Williamson Act is legislation intended to afford property tax relief to the greatest number of farmers and ranchers in an effort to assist their economic survival during the pre-Proposition 13 days of runaway inflation. During this period, annual property taxes were often several times as great as the gross income produced from a particular parcel. Without relief, agriculturalists were forced to liquidate land to speculators, investors and developers in order to preserve their capital or run the risk of forfeiture of the land for non-payment of real estate taxes.

As is the case with the “unique farm land” in San Diego County, uniqueness is derived from the adaptability of a particular resource to one or two crops, for example avocados. With the application of such definitions, uniqueness is derived from the contribution of the crop to the local and state agricultural economy rather than the quality of those resources. Implicit within the intent of the definition is the continued ability to produce crops of statewide importance. The ability to continue production, hence bear the appellation of “unique farm land,” falls beyond the adaptability or suitability of a particular site for that particular use. In order for the soils to remain “unique”, it is necessary that the crop, or combination of crops, imparting “uniqueness” or “state wide or local importance” continue to be successfully produced. The ability to do so is independent of natural resources, since the role of natural resources is limited to providing a suitable physical setting for production of the crop.

The most significant natural resource associated with the property is its climate. The coastal and transitional area climate is a bonus to sub-tropical agriculture throughout the region. In the case of the subject, its micro climate will be less subject to damaging freezes than orchards planted on lower land or with less air drainage due to the lay of its topography.

Therefore, effective agricultural use of the site is more dependent on prevailing economic conditions and resources than its natural resources. One hundred percent (100%) of the subject soils fall outside the capability classification of soils that are desirable for most high value crops. Topography further limits the utility of the site. The soils are too poor and there is not enough other open land that is suitable to encourage strawberry or tomato growers. The natural resources associated with this site offer no uniqueness or opportunity to encourage agriculture other than that currently being conducted on the site and immediate area.

ECONOMIC RESOURCE

The economic resources associated with the subject are typical of those of others in western San

Diego County. The site enjoys Interstate access over an improved secondary highway. Water, power and telephone are available, as well as fire and police protection. Sufficient medical, educational and recreational facilities are available.

Economic Resource Inventory

Of the economic resources adversely affecting agricultural use of the site, the one exerting the most impact is structural, the cost and availability of the water. With the current cost of water from the Rainbow Municipal Water District at \$580± per acre foot (including a 2-inch meter charge), virtually no start up agricultural activity can absorb such a high cost of water along with the costs associated with development. For example, using the previous five-year average yield and price for avocados, oranges and lemons⁵, representative of nearby land uses, it can be seen that water comprises such a high percentage of cost as to render new agricultural development unlikely on its face. With an average yield of 5,132 pounds per acre at 98¢ per pound, considering 2.75 acre feet to 3.5 acre feet, water cost for avocados accounts for 28% to 36% of total revenue per acre *before any other costs are paid*. The proportion of water cost in terms of citrus production is higher than avocados, with as much as 60% of direct cost being water related.

It is well known that the entire San Diego region is water deficient, but the implications of limited water on this site, or orchards in general, often is not understood. One of the principal reasons the cost of water provided to the Rainbow Municipal Water District is so high is that the majority of irrigation water is imported. Economic viability of most agricultural crops cannot be sustained with increasing water cost, which, particularly in light of the States energy shortage, are projected to continue to escalate. The willingness of urban dwellers to continue preferential agriculture water pricing becomes less as fewer of the citizens understand the role of agricultural water usage in the funding of water related capital improvements.

The effect of the state's five year drought of the late 1980's and early 1990's dramatically demonstrated the vulnerability of urban oriented water policy on agriculture. Water provided by the MWD was prioritized from its inception. In order the priorities are: residential; commercial and industrial; landscape i.e., parks etc; and agriculture. Water shortages and mandated rationing has and will continue to severely alter the region's agricultural industry.

⁵ *Crop Statistics & Annual Report*, County of San Diego, Department of Weights & Measures. San Diego, California. 1996-2000.

For years, growers have adopted increasingly efficient low volume irrigation systems, in response to ever increasing water prices. Nurseries are one of the few operations suited to employ the more complex and costly water conservation measures. Ironically for the consumer, nursery products, with the exception of herbs and spices, mostly produce non-food products.

The disincentive to utilize land with superior natural resources, let alone those with unremarkable natural resources or serious limitations such as the subject, becomes even more apparent when compared with other production areas with lesser cost and more reliable water. Water cost is about 2 to 4 times as great for Rainbow Municipal Water District than agricultural water in similar areas producing the same crops in Ventura County.

In addition to the impact of water on the subject, other economic resources have a direct bearing on the continued use of the subject. These are the structural changes occurring in the sub-tropical fruit industry brought about by globalization of the industry and the effect of shrinking markets and lower prices received.

Globalization of the world economy began to be a factor in San Diego County by the 1960's when off-shore competition began to erode the area's competitive advantage. Imports of all types of off-season fresh agricultural products from Central and South America, the Caribbean, Australia, New Zealand and Southeast Asia now compete effectively with local production in most markets. This is particularly true of labor-intense fresh vegetables or crops with even more limiting climatic influences such as several varieties of cut flowers (roses, orchids and carnations), certain sub-tropical and citrus fruits. County growers find that they must increasingly contend with higher volumes of quality products grown at lower cost in the high value markets of Asia and Europe, when heretofore they enjoyed nearly exclusive access. Factors which favor the competition are lower labor and land costs, less environmental regulation and constraints, and government preferences, sometimes even our own.

Factors which continue to favor County growers are sophisticated production systems which emphasize optimum post harvest handling, a well developed infrastructure, immediate and low cost access to local as well as premium and luxury international markets, the ability to consistently meet market standards, technical know how, transportation and financial resources to establish and exploit emerging markets. In many cases, foreign fruit growers have a cost advantage over the U.S. Costs associated with harvesting, irrigation and packing are generally lower, while costs of purchased inputs (chemicals, fertilizer, cartons, etc.) are similar to or higher than in the U.S.

While foreign production and marketing costs, on a per-acre basis, are usually below those in the U.S., the gap narrows significantly on a per unit basis because average harvest yields abroad are frequently lower than in the U.S., particularly compared to California and Florida. The United States enjoys a per unit cost advantage because of greater efficiencies of production. Unfortunately for the U.S. grower of the crops grown on the subject, this unit cost advantage continues to narrow, with many countries such as Chile, Argentina and Australia approaching or exceeding U.S. production. Much of the competition is based upon U.S. technology, know-how and management. This is particularly true in Mexico and Chile, to a lesser extent, elsewhere in Latin America. The commodities produced are marketed through traditional domestic trade channels by these same or other North American firms.

The citrus industry is one of the crops most adversely affected by the impact of globalization. Brazil sets the price for orange juice concentrate. Australia, Argentina, Chile and Central America, as well as Israel, Lebanon, South and North Africa, are rapidly becoming major players in the fresh citrus world markets. Now, expansion of the North American Free Trade Agreement (NAFTA) with Canada and Mexico into other Countries introduces increased uncertainty within the entire fresh fruit and vegetable sector. This is due to the relative lesser importance of the small dollar value of the specialty crops produced in San Diego County and the Southern California coastal region compared with the total value of corn, wheat and soybeans produced by the Midwest and Southern farm block.

The administration, congress and the USDA, driven by congressional representatives from the midwest and south, have proven their willingness to sacrifice minor crops on the altar of corn, soybean and small grain interests. Prevailing wisdom in the cut flower, fresh fruit and vegetable industries is that NAFTA could ultimately be a death knell to much of today's local industry.

NAFTA has the potential to be particularly harmful to the County's avocado industry, due to the extent of production in Mexico. Although NAFTA limits shipment of Mexican avocados to the northern tier of states, it is apparent that leakage occurs due to the price premium enjoyed by California growers. It has not been unknown for Mexican avocados destined for northern markets such as Chicago to end up in local stores, illustrates the difficulty of policing interstate shipments of avocados when the price differentials are wide.

Growers of citrus having lost or losing market differentiation that once garnered premium prices in luxury export markets are forced to assume the character of producers growing a commodity based product. Others, such as avocado growers, must assume the characteristics of a high value, high cost,

high risk enterprise with a short marketing period in order to survive.

In addition to water cost and availability and competition, other economic factors shape the character of San Diego's agriculture. Some of the influences cause dislocations, others strengthen the industry.

Among the other influences which create dislocation are increasing costs due to urbanization; labor constraints resulting from the passage of the Immigration Reform and Control Act of 1986 (IRCA); day-to-day operating inefficiencies induced by encroaching population and the declining inventory of farmable land.

Influences which strengthen are often the mirror image of conditions adverse to the industry. Population density and ethnic diversity provide large and expanding markets and numerous specialty markets. For example, the population boom generates a strong demand for landscaping materials.

The proximity of Mexico, as well as a large local farm worker population, provides a pool of skilled and experienced farm labor. With the passage of the IRCA, proximity to Mexico places this area in a more advantageous position than other competitive areas. Competition forces specialization, so growers develop innovative growing techniques and equipment.

Escalating land values in the area have had two effects. First, growers who own land have found its sale attractive, converting trapped equity to cash for reinvestment in land elsewhere or in alternate investments. The result is fewer growers competing for scarce resources. Agriculture benefits from increased land value since land in transition from agricultural to other uses is held by speculators. These speculators have been willing to rent to growers at low rates, providing a de facto subsidy to regional agriculture. In addition, borrowable equity becomes available to farmers providing a source of capital that is necessary to adopt new technology or gaining efficiencies by substituting capital for labor.

An additional significant economic resource adverse to the subject is affordable housing. This is a regional problem, systemic to the conflicts of competing interests present in the land use decision process. While affecting all economic activity, the lack of housing is reaching near crisis proportions in agriculture. It is so significant that it has been estimated that several thousands of workers live as squatters in the canyons near farming areas. Due to the thin operating margins from price competition in and outside the U.S. and the high capital costs required to produce, agriculture relies heavily on lower cost labor. The inability of farm workers and their families to obtain safe, affordable housing is rapidly placing County agriculture at a serious disadvantage with its competitors in other areas. Farm labor

camps are unpopular with local planning groups; low cost housing is equally disdained. On-farm housing is costly, difficult to permit and maintain. Increased labor costs and decreasing availability negatively impact the development and use of agricultural land in the County. The combination of an aging labor pool, increased off-farm job opportunities, a strengthening economy and lengthy border crossing time, since more rigorous enforcement of immigration commencement due to the War on Terrorism after September 11, make the affordable housing issue even more relevant.

Interpretation of Economic Resources

Local producers enjoy a well established and efficient infrastructure in terms of transportation, education, technical support, production, harvest, packing and sales. Serious economic constraints indigenous to the region are adverse to local agriculture in general and the subject in particular. These revolve around disincentives, or outright inability, to utilize the subject for economically productive agricultural uses

The comparison of the cost differential of water between the site and Ventura County and portions of Western Riverside County illustrate that water cost alone is sufficient to halt or limit production. The continuing shrinkage of avocado and citrus acreage stands in judgment of the fragile nature of the shrinking subtropical fruit industry.

SURROUNDING LAND USES AND ANALYSIS

The site is not encumbered by a “Land Conservation Agreement” and is not within an Agricultural Preserve. The creation of Agricultural Preserves is enabled under The Williamson Act. The Williamson Act is the name given to legislation intended to afford property tax relief to the greatest number of farmers and ranchers in order to assist in their economic survival during the pre-Proposition 13 days of runaway inflation. During this period, annual property taxes were often several times as great as the gross income produced from a particular parcel. Without relief, agriculturalists were forced to liquidate land to speculators, investors and developers in order to preserve their assets or run the risk of forfeiture for non-payment of real estate taxes.

The site is in San Diego County General Plan Land Use Designation 19, which is defined as: **Category 19, Intensive Agriculture.** This designation promotes a variety of agricultural uses including minor commercial, industrial and public facility uses appropriate to agricultural operations or supportive of the agricultural population.

This designation permits two, four and eight acre parcels under the following circumstances.

Two acre minimum parcel size when the following finding is made:

- At least 80% of the land of a proposed parcel does not exceed 25% slope; and*
 - The land is planted, and has been planted for at least the previous one-year period, in one or more of the following commercial crops as defined by the U.S. Department of Agriculture Soil Survey, San Diego Area (1973) – avocados, flowers, tomatoes, and specialty crops; and*
 - A continuing supply of irrigation water is available to the land; and*
 - the land has access to a publicly maintained road without the necessity of a significant amount of grading; and*
 - Two acre parcels on the land will not have a significant adverse environmental impact which cannot be mitigated.*
- Four-acre minimum parcel size where the average slope of a proposed parcel does not exceed 25% and the above finding cannot be made.*
- Eight-acre minimum parcel size where the average slope of a proposed parcel is greater than 25%.*

In connection with commercial, industrial, public facility, public utility, electronic installations, and other specialized uses, a smaller parcel size may be permitted, provided on-site sewage disposal, zoning, and other site development requirements can be met.

Clustering when located within the Country Residential Development Area, Estate Development Area or Rural Development Area Categories of the Regional Land Use Element (Policies 1.55, 1.3 and 1.4) is permitted within this designation. The minimum parcel size and maximum number of dwelling units in such cluster development shall be governed by the applicable Regional Policy. In computing the theoretical maximum number of dwelling units, the following density factors shall apply:

- Where at least 80% of the project area does not exceed 25% slope: 0.5 dwelling unit per gross acre;*
- Where the average slope of the project area does not exceed 25%: 0.25 dwelling unit per gross acre.*
- Where the average slope of the project area is greater than 25%: 0.125 dwelling unit per gross acre.*

In both cluster and noncluster projects, the actual parcel size may be increased and the number of dwelling units decreased for reasons of environmental protection or for neighborhood compatibility or

for other reasons necessary to protect the public health, safety or welfare.

This designation is consistent with all categories of the Regional Land Use Element.

A review of neighborhood land use is made in accordance with The California Agricultural Land Evaluation And Site Assessment Model (LESA) Zone of Influence, or land uses generally within a ¼-mile rectangle of the subject.⁶ This exercise results in identification of approximately 55% of surrounding land use being devoted to some type of agricultural pursuit, including growing houses. The table that follows summarizes the results of this tabulation.

Table 3. LESA Zone of Influence Land Use Summary

Land Use	Percent		Size Range (acres)		W/O High Low		
	Frequency	Frequency	Largest	Smallest	Mode	Mean	Mean
1 house w/groves/fields	18	18.4%	15.32	2	NA	5.00	3.83
2 vacant	22	22.4%	39.24	0.2	NA	7.18	5.15
3 greenhouse/nursery	7	7.1%	20	1.91	7	11.97	7.74
4 fields	4	4.1%	19.58	1.45	NA	10.49	4.18
5 orchards	25	25.5%	38.67	2.13	2.5	8.77	6.86
6 commercial, etc.	5	5.1%	11.69	2.2	6	6.00	2.69
7 rural residences	16	16.3%	7.79	1	7	7.00	6.07
8 schools/public	1	1.0%	8	8	NA	8.00	NA
	98	100.0%	39.24	1	10	6.87	6.40
% land in agriculture production		55.10%					

It is significant that of the 55 percent of the land is in agricultural use, 18 percent in homes with small orchards, or other agricultural uses, with a typical size of less than 4 acres. Overall, typical surrounding parcel size is about 6½-acres. The contiguous parcels are groves/orchards, estate residential use and a nursery.

The attached aerial photograph is provided in order to cast the situs into relationship with existing land uses. A review of this photo is instructional pertaining to land use and prevailing parcel size, as of the date of the photograph.

Interface With Existing Neighborhood And Adjacent Agricultural Activities

The accompanying aerial photograph depicts the setting of the subject and its relationship to its

⁶ Relying on aerial photo from REDI @ SANDAG/SANGIS 2002, map dated June 1, 1994, parcel inventory begins at the southeast corner of the Zone of Influence then north clockwise within a 1/4 mile rectangle in a manner set forth in **Scoring of Site Assessment Factors**, ¶ 3 *Instruction Manual, California Agricultural Land Evaluation And Site Model*.

Map 3. Aerial Photograph

WEST LILAC FARMS I & II

Parcel inventory begins at the southeast corner of the Zone of Influence (outlined in red) then north clockwise within a 1/4 mile rectangle in a manner set forth in Scoring of Site Assessment Factors, *Instruction Manual, California Agricultural Land Evaluation and Site Model*.



neighbors and their land uses. Agricultural interface and edge effect impacts on surrounding agricultural resources address the issue of incompatibility between the proposed residential subdivision and any surrounding agricultural resources or operations. The neighborhood setting based on our study identifies the nearby agricultural enterprise to be a blend of rural residential small orchards and grower house with field flowers and produce being grown to the east. As proposed, existing adequate buffers are present in the form of roads and open space. The prevailing land uses depicted in the areal photograph is prima facie evidence that the proposed uses are compatible with existing agricultural uses.

That said, home buyers unfamiliar with country living, particularly within rural areas that include hobby or commercial agricultural activity, may be unaware of the daily and seasonal ebb and flow of farming. From time to time nearby agricultural activities may be expected to create actual or perceived inconveniences and irritations arising from routine operations and processes. Examples of the types of activities from which these might arise include cultivation, plowing, spraying, pruning, harvesting, drying, crop protection from the elements or depredation which generates dust, smoke, noise, insects, rodents and odor. The application and use of soil amendments and chemicals such as manure, organic and synthetic fertilizer, gypsum, mulch and planting materials, herbicides, insecticides, fungicides, rodenticides or other crop protection compounds can be a source of odor, inconvenience or irritation as well. The transportation and presence of farm labor and harvest crews and equipment can be noisy and increase the need for caution while traveling the more narrow country roads.

As a consequence, the County of San Diego considers it necessary that projects such as the subject disclose as a part of the project's State of California, Department of Real Estate (DRE) Public Report ("White Paper") how the existence of area agriculture might affect the use and enjoyment of the property. It can be expected that as a project design element that an application for a Final Public Report submitted to the California DRE discloses that there will be hazards or unusual conditions in or near this subdivision related to surrounding agricultural uses. The information to be included in the application for the Final Public Report shall be submitted to and approved by the Director of Planning and Land Use prior to submission to the DRE. San Diego County Code §63.404 *Notice to Prospective Buyers and Occupiers*⁷ provides the basis for this notice which may include its language. Section 63.404, *Notice to Prospective Buyers and Occupiers*, (a) and (b), is included as an attachment on page 37.

Issues of project proximity concerning noise, dust, seasonal labor, ag-chemical applications, equipment movement and the like are considered to be lessened slightly if the project is implemented.

⁷ San Diego County Code Regulatory Ordinances Title 6, Health And Sanitation Division 3. Crops And Plants, Section 63.404 (a) & (b) Notice to Prospective Buyers and Occupiers

This is because immediate surrounding land uses are of lesser scale and more consistent with the proposed project than the existing orchard. The exception to this conclusion is the increased traffic generated by the project has the potential to compete for space on roads during harvest.

Conformance With Community Agricultural Goals and Policies

The proposed lot size and lay-out of the project are consistent and compatible with the policies and recommendations of the Community Plan

Possible Cumulative Impact On Regional Agricultural Resources

When discussing the potential cumulative impact to area and regional agricultural resources, it is instructive to re-visit the origin of the conditions that fueled the development of citrus in the Southern California and the Bonsall area. Doing so provides insight as to the importance of factors extrinsic to an area or its natural resources and provide local examples explaining some of the reasons changes in land use are induced and its significance on defining a site to be “*Unique Farmland*” since the classification is dependent on use not natural resources. .

Macro economics and social conditions have more influence on production decisions and land use choices than micro economic or local policy. The initial introduction of avocados, in the 1900's through the 1920's, was largely a land development inducement. Citrus on the other hand was more tied to the industry expansion accelerated with the advent of transcontinental rail shipments introduced by Pacific Fruit Express in the 1910's. Most citrus was grown on the more gentle slopes of the South Bay and east San Diego. The “lemon capital of the world” appellation given to Chula Vista in the 1930's is lost to history as citrus in the South Bay was removed to be replaced in Ventura, Kern, Tulare and Kings Counties in the 1950's.

The “modern era” of citrus and avocado development began with Federal Tax law encouraging investment in citrus as a special tax shelter. Although the legislation was true “special interest” promoted by Florida citrus interests, it was an attractive incentive for citrus development in California and Arizona as well. Significant citrus orchards were planted in Florida, Texas, Arizona and California, until the tax laws were changed in the late 1960's. The incentive remained in place, however, for avocados until the mid and early 1970's.

In addition to the tax incentives, California citrus and avocado production were in general equilibrium with demand, with crop income reasonably consistent on a per acre basis. This was also a time when inflationary pressures created capital when highly appreciated urban property sold with the proceeds, as encouraged under Federal tax law, had to be re-invested in order to preserve the gains. Retirees and higher income urbanites such as airline pilots, police and firemen, doctors, lawyers, defense

industry skilled employees and executives found this type of investment a perfect match for themselves and their families' life styles. Farm management facilitated these investments with development and marketing systems that were able to provide development and reliable operation of a property while its owner worked and resided elsewhere.

Just as the dot-coms have fallen from grace, changes in prevailing economics and Federal tax law altered the investment climate. Over production from the planting of orchards in the 1960's and 70's became a drag on profitability. Economic stagnation accompanied by run away inflation, sharply increasing energy costs and labor dislocation, all contributed to a slowing of new orchard development. In addition, the beginnings of structural changes were occurring internationally, altering traditional trade advantages enjoyed by California citrus discussed earlier. The industry dynamics that provide the incentives to farm, after the late 1980's, bear little similarity to those that encouraged farming in prior decades.

It should be apparent why changes such as the foregoing are far more critical to the use of a property for farming than its natural resources. The effect of structural changes in the San Diego and Regional economy abound with examples such as the loss of poultry and dairy and the emergence of nursery crops, being among the most apparent.

Now avocados and citrus orchards are becoming less efficient due to their maturity requiring additional investment for modernization to remain competitive. In many instances it makes better economic sense to convert obsolete capital goods to cash and reinvest in new goods in less expensive areas. Serving to accelerate change are the barriers to entry for younger generations, mostly associated with capital and low profitability, and the average farm operators, which are nearing retirement age. The chance to retire financially secure often outweighs a desire to continue farming assuming the production, market and financial risk inherent to agriculture.

When agricultural production decisions are cast into an economic context, as they must, the question of what will induce or otherwise pressure existing or future owners of surrounding agriculture operations to discontinue growing as a result of completion of the West Lilac Farms project, can be answered succinctly as minimal. The previous discussion serves to illustrate that agricultural land use is governed by factors far more complex than the loss of 78 acres \pm of citrus and avocados to 28 new houses constructed within the existing orchards.

These uses are very much in keeping with the character of the neighborhood, and evidence that it is probable that production will continue even when the project is entirely built out. The neighborhood will continue to be a rural residential community interspersed with agricultural pursuits of varying

intensity. In terms of citrus, the total combined Valencia and navel orange acreage for all of San Diego County has hovered at about 8,245 acres for the last two years, a decline of about 650 acres from the end of the 1980's.

According to the most recent statistics published by the region's County Agricultural Commissioners Annual Crop & Livestock Report, the project's 35.1-acre \pm citrus orchards represents less than 0.05% of the regions citrus, and 0.22% of all citrus crops acreage in San Diego County. The 43-acres \pm of avocados represent 0.09% of all the regions avocado acreage and 0.165% of San Diego Count's avocado acreage.

The contribution of the total 78.1 \pm planted acres of project site to all the planted tree acreage is 0.045% o the regional acreage and 0.178% of San Diego County's acreage of tree crops. Please refer to the tables that follow.

Table 4. Percent Contribution to San Diego and the Region of Project Site Orchards

West Lilac I & II Crop Acres

43.0 acres	Avocado (all)
35.1 acres	Citrus (all)
78.1 acres	Avocado and Citrus (all)

Southern California Region

Year	Acres	Pct.
All Citrus - 2000	84,563	0.042%
All avocados - 2000	48,839	0.088%
All Tree Crops - 2000	144,580	0.054%

San Diego County

Year	Acres	Pct.
avocado (all) - 2000	25,997	0.165%
All Citrus - 2000	15,921	0.220%
All Tree Crops - 2000	43,833	0.178%

As discussed previously as part of the discussion on soils, a portion of the site has not been farmed recently and thus misclassified, the loss of prime agricultural soils from the regions inventory. As discussed in the Analysis under "Interpretation of Natural Resources" and "Interpretation of Economic Resources", it is concluded that there is no significant loss or cumulative impact as a consequence of the project on regional agricultural resources because: 1) quality of soils; 2) the loss of existing planted acreage is insignificant to the regions citrus and avocado crop acreage, and 3) the combination of the site's restrictive natural resources and a combination of economic resources that are uncertain or adverse to continued interim or longer run agricultural use, especially high water cost, make it improbable that the site will be used for commercial agricultural activity in the long run.

CONCLUSION

Over the years, the face of San Diego agriculture evolved from its historic extensive low value system to a highly specialized, high value, high risk capital, labor and management intensive system. Often as rapid urbanization altered the familiar landscape, farm land was viewed as a valuable quasi public resource as open space. Farmers and ranchers seeking the best of all worlds to further their economic interests rode two horses - laissez-faire business as usual conduct wrapped in public assistance in the form of preferential land use regulation, low interest disaster loans, protective trade legislation and phytosanitary regulation, preferential water pricing, marketing orders and property tax relief.

Land preservationists, limited growth advocates, NIMBY's (not in my back yard - I've got mine), trade protectionists, wild life zealots and average citizens concerned with maintaining San Diego's life style looked toward public land policy as the answer to the paradox inherent of farming in transitional areas. First raised by agriculturalist themselves agricultural land use is the eye of the storm for a wide array of complex issues and agendas.

Agendas aside, unless purchased or confiscated for the public, over the long run, agricultural use of the study site within Bonsall, or any agricultural property's use, will not be determined by government classification. The natural and economic resources and conditions that define and drive agriculture will be the final arbitrator of land use. The public may find it desirable to aid farmers to continue its agricultural use as in the past or abandon that role of assisting private enterprise as inappropriate. These are issues well beyond the scope of this report.

It is hoped that the preceding discussions are helpful in understanding the complexity and often contradictory influences that promote and maintain agricultural land use. Further, the inclusion, genesis and rationale of identification of the subject as falling within the "unique" farmland classification should be clarified. It should also be clear why the property is not a unique resource in perpetuity, with its ongoing agricultural use uncertain due to a combination of natural and economic resource deficiencies and limitations.

The consultant concludes:

- There are no cumulative impacts of the project on regional agricultural soil resources due to the poor soil quality with 100 percent of its soils Capability Class IV or poorer.
- The site is in conformance with the agricultural goals, policies and recommendations of the Community Plan.
- The site is not in an Agricultural Preserve.
- The prevailing economics of the citrus and avocado industry exert a direct and adverse

impact on the subject, limiting its value as a production resource and making it uncertain as to its longer run viability.

- The project is compatible with existing neighborhood and adjacent agricultural activities.
- Sufficient buffering by and from existing agricultural enterprises exists, be they hobby, project livestock, rural residential orchards or commercial growing houses. It is appropriate however that the *Notice to Prospective Buyers and Occupiers*, pursuant to County Code Section 63.404, be included as a project design element.

Prepared By:
James W. Wheyland, CAC, ARA

CONSULTANT'S CERTIFICATE

I certify that, to the best of my knowledge and belief:

I have no present or prospective interest in the real estate or personal property, including growing crops, which are the subject of this Consultant's Report.

Furthermore, I have no personal interest or bias with respect to the subject matter of this Consultant's Report or of the parties involved; any specified interest or bias has not affected the impartiality of my opinions and conclusions.

My compensation is not contingent nor are the conclusions or other opinions expressed herein based on a requested finding, a specific result or conclusion.

To the best of my knowledge and belief, the statements of fact contained in this Consultant's Report upon which the analyses, opinions and conclusions expressed herein are based, are true and correct. The consultant reserves the right to make adjustments to this report at a later date if more reliable or additional data becomes available for review.

The Consultant's Report has been made in conformity with the American Society of Agricultural Consultants.

During the course of the appraisal, the property was personally inspected by James Wheyland.

Mr. Wheyland is a Certified Agricultural Consultant by the American Society of Agriculture Consultants. He is also designated as an Accredited Rural Appraiser by the American Society of Farm Managers and Rural Appraisers and licensed as a "Certified General Real Estate Appraiser" by the State of California as number AG005029.

Although Mr. Wheyland is a professionally designated appraiser, the scope of this report is limited to a consultancy assignment, with no value estimated. It should not be construed in any way as an appraisal as defined within Uniform Standards of Professional Appraisal Practice (USPAP).

No one other than the undersigned, or under the supervision of the undersigned, prepared the analyses, conclusions and opinions rendered in this Consultant's Report.

The American Society of Agricultural Consultants conducts a mandatory program of continuing education. The consultant has met the requirements of the program through December 31, 2006.

Respectfully submitted,

James W. Wheyland, A.R.A., C.A.C.
PACIFIC CONSULTANTS

JMW:jmw

ADDENDA

Addendum 1 LESA Model

THE CALIFORNIA AGRICULTURAL LAND EVALUATION AND SITE ASSESSMENT MODEL					
0-39	Not considered significant.				
40-59	Considered significant. <u>only</u> if Land Evaluation (LE) <u>and</u> Site Assessment (SA) subscores are each greater than or equal to 20 points.				
60-79	Considered significant. <u>unless</u> either LE <u>or</u> SA subscore is <u>less</u> than 20 points.				
80-100	Considered significant.				
PROJECT NAME : West Lilac Farms I & II					
PROJECT IDENTIFICATION: TM 5276 CP 12410, WN 6606. WE 1376					
PROJECT SIZE IN ACRES		92.19			
Table 3. Summary - Final LESA Scoresheet					
FACTOR NAME		RATING (0-100 points)	X	FACTOR	WEIGHTED SCORE
LAND EVALUATION (LE)		(from Table 1)			
1	Land Capability Classification	47		0.25	12
2	Storie Index Rating	52		0.25	13
Total Land Evaluation Score				0.50	25
SITE ASSESSMENT (SA)		(from Table 2)			
1	Project Size	40		0.15	6
2	Water Resource Availability	65		0.15	10
3	Surrounding Agricultural Lands	40		0.15	6
4	Protected Resource Lands	0		0.05	0
TOTAL LESA SCORE				0.50	22
					47
LESA MODEL CEQA THRESHOLDS					
0 - 39 Points		Not considered significant			
40 - 59 Points		Significant <u>only</u> if LE <u>and</u> SA subscores are each greater than or = to 20 points.			
60 - 79 Points		Significant <u>unless</u> either LE <u>or</u> SA subscores is <u>less</u> than 20 points.			
80 -100 Points		Significant.			

Table 1. LAND EVALUATION (LE)

PROJECT NAME: West Lilac Farms I & II																			
PROJECT ACERAGE: 92.19																			
Soils Identification, Distribution and Evaluation																			
		Percent		Soil Capability Classification By Acre										Storie		Percent		Storie	
Soils Symbol & Name		Slope		I	IIe	IIIs,w	IIIE	IIIs,w	IVe	IVIs,w	VIe,s,w	VIIs,w	VIIIs,w	VIIIs,w	Index	Acres	Distribution	Index Score	
ArC	Arlington coarse sandy loam	2	9												47	0	0	0	
B1C	Bonsall sandy loam	2	9												51	0	0	0	
BmC	Bonsall sandy loam, thick surface, eroded	2	9												51	0	0	0	
GrC	Greenfield sandy loam	5	9												77	0	0	0	
GrD	Greenfield sandy loam	9	15												69	0	0	0	
CiD2	Cienega coarse sandy loam	5	15								4.89				16	4.89	0.053042629	0.8486820	
CmE2	Cienega rocky coarse sandy loam	9	30												10	0	0	0	
CnE2	Cienega Fallbrook rocky sandy loams, eroded	9	30												18	0	0	0	
CnE2	Cienega Fallbrook rsl, eroded, rock outcrop	9	30												0	0	0	0	
CnG2	Cienega Fallbrook rocky sandy loams, eroded	30	65												7	0	0	0	
CnG2	Cienega Fallbrook rsl, eroded, rock outcrop	30	65												0	0	0	0	
CmrG	Cienega very rocky coarse sandy loam	30	75												25	0	0	0	
PaC2	Fallbrook sandy loam, eroded	5	9													0	0	0	
PaD2	Fallbrook sandy loam, eroded	9	15						85						55	85	0.922008894	50.7104892	
PaE2	Fallbrook sandy loam, eroded	15	30													0	0	0	
PvE	Fallbrook-Vista sandy loams	15	30													0	0	0	
LnE2	Las Posas fine sandy loam, eroded	15	30													0	0	0	
PeC	Placentia sandy loam	2	9													0	0	0	
PfC	Placentia sandy loam, thick surface	2	9													0	0	0	
RaB	Ramona sandy loam	2	5													0	0	0	
RaC	Ramona sandy loam, eroded	5	9													0	0	0	
RaD2	Ramona sandy loam, eroded	9	15													0	0	0	
SoG2	Sheephead rocky fine sandy loam, eroded	30	65													0	0	0	
SsE	Soboba stony loamy sand	9	30													0	0	0	
TuB	Tujunga sand	0	5													0	0	0	
VaA	Visalia sandy loam	0	2												90	0	0	0	
VaB	Visalia sandy loam	2	9													0	0	0	
VdD	Vista rocky coarse sandy loam	5	15													0	0	0	
VdD2	Vista coarse sandy loam, eroded	9	15													0	0	0	
VsE	Vista coarse sandy loam	15	30													0	0	0	
VsE2	Vista coarse sandy loam	15	30													0	0	0	
VvE	Vista rocky coarse sandy loam	15	30													0	0	0	
AcG	Acid igneous rock															0	0	0	
StG	Steep Gullied Land															0	0	0	
TeF	Terrace Escarpments															0	0	0	
Total Acres By Capability Classification				0	0	0	0	0	85	0	0	4.89	0	0				51.5591712	
Percent Distribution By Capability Classification				0	0	0	0	0	0.92	0	0	0.05304	0	0					
Value				100	90	80	70	60	50	40	30	20	10	0					
LCC Score				0	0	0	0	0	46.1	0	0	1.06085	0	0					
Total LLC Score (to Table 3)																	47		
Storie Index Score (to Table 3)																	52		
Source:				Soil Survey, San Diego County, California, U.S. Dept. Of Agriculture, Soil Conservation Service, in cooperation with U.C. Agricultural Experiment Stati															
				Pacific Consultants															

Table 2. SITE ASSESSMENT

Source: *Instruction Manual California Agricultural Land Evaluation And Site Model*

PROJECT: Lilac Ranch I & II
PROJECT ACERAGE: 92.19

Site Assessment Item 1 - Project Size Score

Capaility	Acerage	Score
Class I or II	0	
Class III	0	
Class IV >	89.89	40

Highest Project Size Score (to Tab 40

Table of Project Scoring Points

Acres	Class I or II	Acres	Class III	Acres	Class IV >
> 80	100	> 160	100	>320	100
60-79	90	120-159	90	240-319	80
40-59	80	80-119	80	160-239	60
20-39	50	60-79	70	100-159	40
10-19	30	40-59	60	40-99	20
< 10	0	20-39	30	< 40	0
		10-19	10		
		< 10	0		

1. From Table 1

Site Assessment Item 2 - Water Resource Availab

Portion c	Water	Avaiability	Weighted
Project	Source	Score	Score
1	7	1	65
2			
3			
4			

Project Water Availability Score (to Tab 65

Table of Water Resource Availability Scoring Points

Option	Non-drought Years			Non-drought Years			Score
	Irigated	Physical	Economic	Irigated	Physical	Economic	
	Feasible	Restriction	Restrictions	Feasible	Restriction	Restrictions	
1	Yes	No	No	Yes	No	No	100
2	Yes	No	No	Yes	No	Yes	95
3	Yes	No	Yes	Yes	No	Yes	90
4	Yes	No	No	Yes	Yes	No	85
5	Yes	No	No	Yes	Yes	Yes	80
6	Yes	Yes	No	Yes	Yes	No	75
7	Yes	Yes	Yes	Yes	Yes	Yes	65
8	Yes	No	No	No	-	-	50
9	Yes	No	Yes	No	-	-	45
10	Yes	Yes	No	No	-	-	35
11	Yes	Yes	Yes	No	-	-	30
12	Irr. not feasible, but rainfall adequate for dryland in drought and non-dro						25
13	Irr. not feasible, but rainfall adequate for dryland only in non-drought						20
14	Neither irrigated nor dryland production feasib						0

Site Assessment Item 3 - Surrounding Agriculture La

Ag Use In	Avaiability
ZOI	Score
55-59	40

Surrounding Ag Land Use Rating Score (to 40

Percent of Project's	Surrounding
Zone of Influence	Ag. Land
In Ag. Use	Score
90 - 100	100
80 - 89	90
75 - 79	80
70 - 74	70
65 - 69	60
60 - 64	50
55 - 59	40
50 - 54	30
45 - 49	20
40 - 44	10
< 40	0

1. ZOI = Zone of influence which is w/in ¼ - mile of project

Site Assessment Item 4 - Surrounding Protected Resource !

Protected Use In	Avaiability
ZOI	Score
<40	0

Surrounding Protected Land Use Rating Score (to 0

Percent of Project	Surrounding
Zone of Influence	Protected Resource
Protected	Score
90 - 100	100
80 - 89	90
75 - 79	80
70 - 74	70
65 - 69	60
60 - 64	50
55 - 59	40
50 - 54	30
45 - 49	20
40 - 44	10
< 40	0

Surrounding Land Use Rating Score (to 60

ADDENDUM 2

San Diego County Code of Regulatory Ordinances TITLE 6 HEALTH AND SANITATION DIVISION 3. CROPS AND PLANTS

SECTION 63.404 NOTICE TO PROSPECTIVE BUYERS AND OCCUPIERS.

- (a) Any person selling, leasing or renting real property, which is within an agricultural area may notify any prospective purchaser or occupier of such real property in writing as follows:

“The subject property may be located within one mile of agricultural enterprises. Occupants of this property may be exposed to inconveniences or irritations arising from agricultural enterprises, including but not limited to cultivation, plowing, spraying, pruning, harvesting, drying, crop protection from the elements or depredation which generates dust, smoke, noise, insects, rodents, and odor, and the use of agricultural chemicals, including but not limited to herbicides, insecticides, fungicides, rodenticides, and fertilizers. Occupants of the property may be required to accept such inconveniences and irritations, unless the agricultural enterprise constitute a public or private nuisance despite the provisions of Section 3482.5 of the Civil Code or Section 63.403 of the San Diego County Code. It is understood that agricultural uses may be altered or expanded in the future. Further information concerning enrolled agricultural activities or enterprises within one mile of this property may be obtained from the County Department of Agriculture, Weights and Measures upon payment of the applicable fees under the California Public Records Act.

- (b) For the purposes of this Chapter, an agricultural area is defined as property which is: (1) within an agricultural zone; (2) being used for an agricultural activity or operations; or (3) located within one mile of the boundary of property which is being used for an enrolled agricultural enterprise as defined in Section 63.405.

PACIFIC CONSULTANTS

*Appraisal
Agricultural Consultants
Economic and
Financial Analysis*

STATEMENT OF QUALIFICATIONS

JAMES W. WHEYLAND
Certified Agricultural Consultant

EDUCATION

B.S. Farm Management - 1962
California Polytechnic State University, San Luis Obispo, California
Farm Credit Principles and Practices for Fieldmen - 1968
Federal Intermediate Credit Bank, Berkeley, California
Principles of Rural Appraising - 1979
American Society of Farm Managers and Rural Appraisers
Oregon State University, Corvallis, Oregon
Advanced Case Studies in Rural Valuation - 1983
American Society of Farm Managers and Rural Appraisers
California Polytechnic State University, San Luis Obispo, California

EMPLOYMENT HISTORY

1974 - Present	Pacific Consultants; Agricultural Consultant
1978 - 1985	Pacific Southwest Mortgage; Agricultural Investment Officer
1970 - 1974	Western Agri-Systems; Senior Vice President, Agricultural Operations
1968 - 1970	Imperial-Yuma Production Credit Association; Appraiser, Agricultural Loan Officer
1966 - 1968	Orita Land and Cattle Co.; Production
1960 - 1966	U.S. Marine Corps; Captain

CONSULTING EXPERIENCE

Consulting activities include assignments in Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Oregon, and Texas, as well as Central America and Mexico. The focus of my consulting practice over the last 30 years has been the evaluation of natural and economic resources, applied agricultural economics, financial and investment analysis including casualty, economic loss and valuation. Assignments include a wide variety of agricultural activities such as uses for land in transition, irrigated row and field crops, dry farms, livestock ranches, dairies, tree and vine crops, vineyards, groves and orchards. Some examples of agribusiness assignments are dairy, livestock, greenhouse and container nurseries, wineries, transportation and distribution, chemical compounding plants, cotton gins, irrigation districts, feed mills, grain storage, commodity shipping facilities, cold storage and fresh fruit and vegetable packing plants.

Mailing Address:
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AFFILIATIONS

American Society of Agricultural Consultants, designated as Certified Agricultural Consultant (CAC)*, June, 1983; Western Regional Director 1995-1997; Director At Large 1990-92; American Society of Agricultural Consultants International Board of Governors 1990-1993

Professional Member of American Society of Farm Managers and Rural Appraisers, and its California Chapter. I hold the Accredited Rural Appraiser (ARA)* designation awarded November 1987 by the American Society of Farm Managers and Rural Appraisers to those members who have had years of experience, are technically trained, have passed a rigid examination and subscribe to a high code of ethics. I have served as President, California Chapter 1995-1996.

QUALIFIED EXPERT

Superior Court - Fresno County, California
- Imperial County, California
- Kern County, California
- Riverside County, California
- Maricopa County, Arizona
- San Diego County, California

Circuit Court of the Second Circuit - State of Hawaii
U.S. District Court - Southern District, San Diego

SIGNIFICANT SHORT COURSES

American Society of Agricultural Consultants, International.
Preparation, Evaluation and Marketing of Agribusiness Projects, St. Louis, Mo - 1986

The International Erosion Control Association
Practical Approaches for Effective Erosion and Sediment Control - Reno, NV. - 1994

American Society of Appraisers and American Society of Farm Managers and Rural Appraisers

Rural Business Valuation - Sacramento, Ca - 1997

American Society of Farm Managers and Rural Appraisers

Report Writing - Bakersfield, Ca 1984

Mathematics of Finance - Denver, Co 1987

Sales Analysis - Denver, Co - 1987

Cost Approach - Denver, Co - 1987
Eminent Domain - Denver, Co - 1987
Mineral Appraisal - Reno, NV - 1989
American Society of Farm Managers and Rural Appraisers (Continued)
Electronic Spread Sheet and Rural Appraisal - Reno, NV. - 1994
Fractional Interest - Modesto, Ca - 1998

- * **Both ASAC and ASFMRA have mandatory continuing education program to retain professional designation, in which I am current.**

LICENSES

Certified General Real Estate Appraiser, State of California, No. AG005029

REPRESENTATIVE CLIENTS

Life Insurance Companies
Banks and Savings Banks
Federal, State and Local Governments

Special Districts
Corporate Clients
Individuals and Attorneys